

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



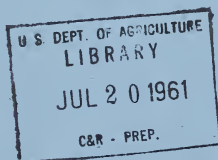
RESERVE  
A249,29  
T6837

30

# LEADERSHIP and MANAGEMENT

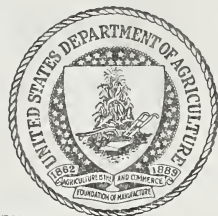
30

JANUARY 26-30, 1953,  
ALBANY, CALIFORNIA



Agencies of  
THE UNITED STATES DEPARTMENT of AGRICULTURE  
SAN FRANCISCO BAY AREA

UNITED STATES  
DEPARTMENT OF AGRICULTURE  
LIBRARY



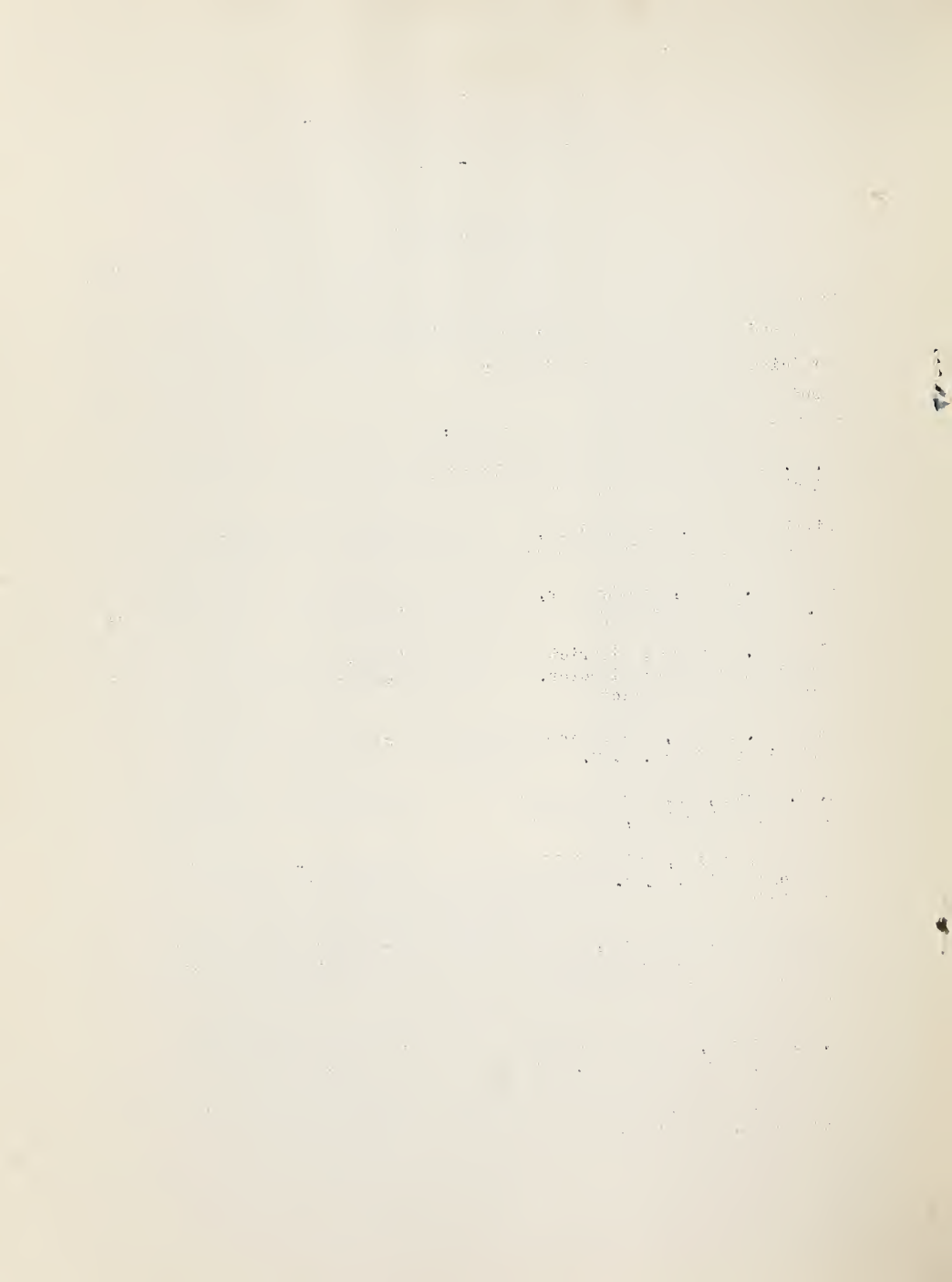
RESERVE

BOOK NUMBER    A249.29  
990472            T6837

990472  
UNITED STATES DEPARTMENT OF AGRICULTURE,  
Leadership and Management Seminar  
San Francisco-Oakland Bay Area  
January 26 - 30, 1953

TABLE OF CONTENTS

	<u>Page</u>
Introduction	1
Names and Affiliations of Steering Committee	3
Participants and Their Affiliations	4
Agenda	5
Speakers and Titles of Their Addresses:	
W. D. Hudson, Assistant to the Director, Agricultural Extension Service	Communication in Management 7
William Winter, News Analyst, American Broadcasting Company	Public Relations - Government Responsibility 9
Joseph A. Braun, Comptroller, A. Schilling & Company	Employee Participation in Management 11
Albert G. Bergesen, District Civilian Personnel Director, Twelfth Naval District	Getting Acceptance of Responsibility 13
Joseph P. Harris, Professor of Political Science, U. C.	Broad Prospective of Management 15
E. K. Strong, Jr., Professor of Psychology Emeritus, Stanford	Development of Employees, All Levels 17
Joseph W. Rupley, Chief Field Representative, U. S. Bureau of the Budget	Budgeting - A Tool of Management 19
Donald Still, In Charge, Public Relations Department General Motors Corporation Western Region	Localized Public Relations as Administered by Private Enterprise 21
W. R. Quigley, Assistant Chief Auditor, Office of Audit, PMA	Auditing as a Tool of Management 23
Robert E. Walker, Associate Professor of Political Science, Stanford	Program Planning and Execution 24



		<u>Page</u>
Harry McGann, General Auditor, Pacific Gas & Electric Company	Work Planning and Scheduling	26
Gerhard Jessen, Assistant Port Controller, San Francisco Port of Embarcation	Work Standards and Measurements	28
Lounsbury S. Fish, Assistant Manager, Department on Organization, Standard Oil Company of California	Controls - Inspection, Reviews, Reporting	31
D. S. Langsdorf, Specialist in Management Problems, Bank of America	Administrator and Employee Responsibility for Public Service	34
Dr. Boynton B. Kaiser, Personnel Director for Nonacademic Staff, University of California	Scope of Personnel Management	36

17

18

19

20

21

22

23

24

25

26

27

28

29



## INTRODUCTION

The U. S. Department of Agriculture carries on operations in a widely diversified field. These range from highly scientific research into the field of additional outlets for agricultural commodities, both for agricultural and industrial use, to regulatory work on food and feed standards; to control and conservation of our forests and their attending lumber, water and feed; to forecasting our agricultural production and its potentialities; to direct personal work with farmers and handlers of farm commodities to assure a sound economic position for the suppliers of our feed; to assist agriculture in maintaining and improving the productivity of our soil.

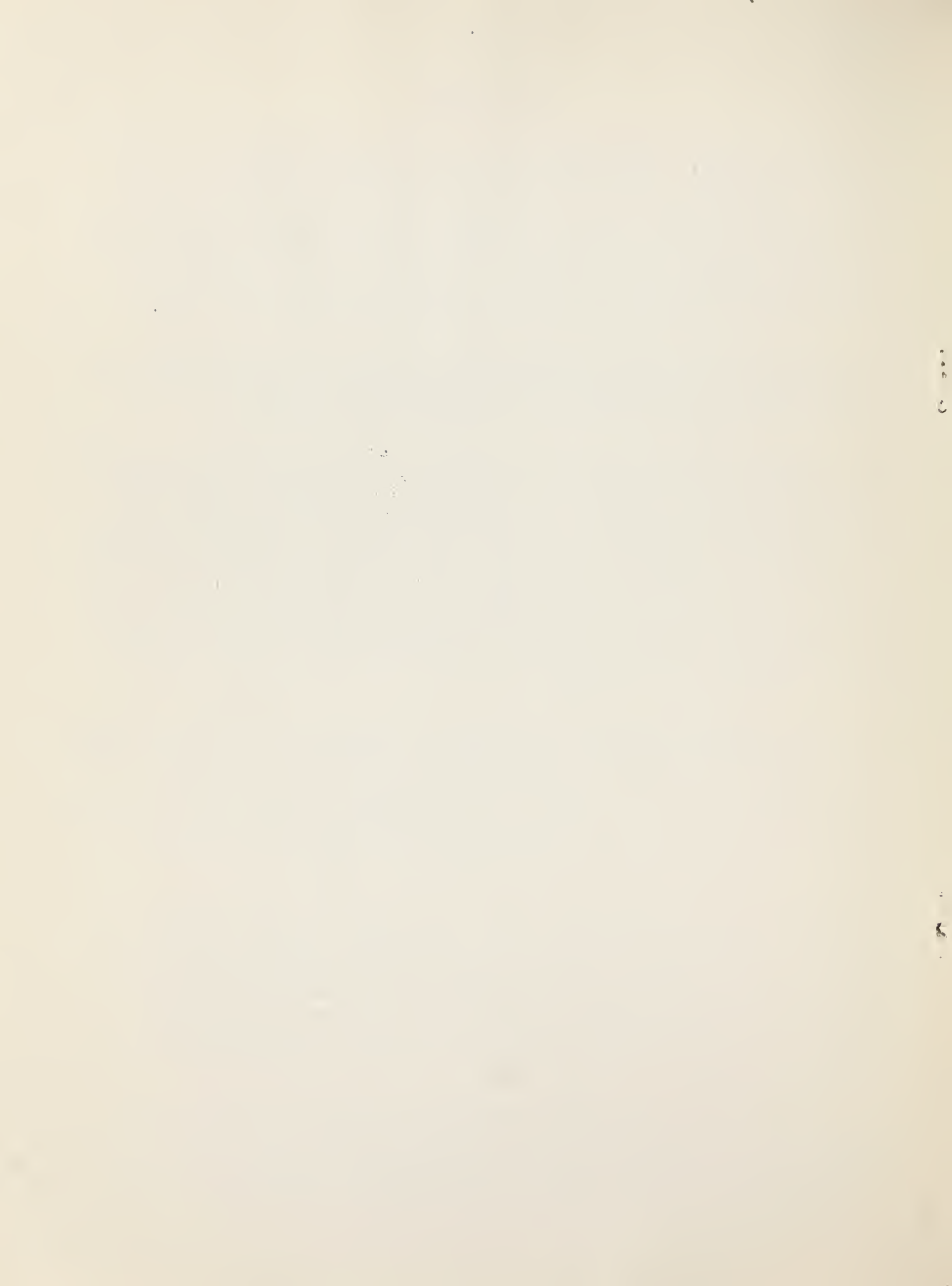
All these activities call for various types of agency operations - research in laboratories, statistical analyses divisions, program operations through straight line agencies and through committees coupled, of course, with their varied requirements as to management and servicing.

In line with a program designed under and supported by Charles F. Brannan and reaffirmed in essence by Ezra Taft Benson, Secretary, it is essential that administrative employees of the Department of Agriculture never relax in their efforts toward creating more efficient and effective management of the Department's affairs. To this end and pursuant to the program sponsored by the Office of Personnel of the Department, the agency heads of the various Department of Agriculture units located in the San Francisco-Oakland, California, Bay Area determined that a leadership and management seminar be held comprising the leaders and potential leaders of their agencies. Accordingly the agency heads appointed a Steering Committee in April of 1952 to supply local leadership toward formation of a leadership and management seminar for the employees in that area.

The Steering Committee was brought together by Mr. T. H. Harris of the Bureau of Entomology and Plant Quarantine. In conjunction with George Randall of Production and Marketing Administration and Jack Kern of Forest Service, Mr. Harris outlined the current problems for the Steering Committee. Glenn W. Studarus of the Farmers Home Administration was selected as Chairman. At its first meeting held on April 4, 1952, it was determined that the seminar should be held and the Committee launched an immediate attack on the numerous problems of organizing and conducting a seminar.

Subcommittees were appointed to select a site and date, form an agenda, recommend discussion leaders, and plan the seminar in such a manner that its objectives could properly be attained. The problems were many and the solutions often difficult. However, through diligent effort, persistence, and ingenuity - characteristic of Department of Agriculture employees - the obstacles were overcome with the result that during the week beginning January 26, 1953, the seminar was held at the Western Regional Research Laboratory of the Bureau of Agricultural and Industrial Chemistry at Albany, California.

The planning by the Steering Committee, the topics selected for the agenda, and the eminently qualified speakers, who generously accepted invitations to participate, precluded the possibility of any result short of a high degree of success. Even so, the spontaneous enthusiasm with which the participants accepted the seminar far exceeded expectations.



Agency heads are to be commended for their careful selection of full time delegates to this seminar. Altogether, thirty-two such delegates were appointed who represented the high echelon in the Department in this area. Persons selected to attend were occupying positions of leadership both insofar as their active agency programs were concerned and from the management standpoint in the sense of having responsibility for program planning, the budgeting of such programs, together with the actual execution thereof.

At the inception of the meeting Secretary Benson's statement to the effect that he would expect a "day's work for a day's pay" was considered. It was agreed that in the past the equivalent of a day's work for a day's pay had been given. Yet it was recognized that it would be necessary to re-examine standards by which this conclusion had been reached and that individual self-analyses would indicate that nothing short of maximum performance on the job would meet the standards so established.

Participants at the conference were keenly aware of their good fortune in having the opportunity to obtain the innermost thoughts and ideas of some of the most capable men in their respective fields, which men included top Government people, top executives in private enterprise, and acknowledged authorities from institutions of higher learning. While it was realized that conflicting ideas might possibly be presented by the speakers, it was also realized that it was essential to assume responsibility to understand the reasoning behind their words with the view that having once understood this reasoning, the thoughts and ideas could then be translated in a practical manner to the jobs ahead.

Through an exchange of ideas during the discussion that followed each subject, substantial and gratifying progress was made in meeting the objectives of the seminar.

The reports on the talks presented by the guest speakers as incorporated herein are based on notes taken by various participants at the seminar and are not verbatim transcripts.

We are very grateful for the cooperation extended to the Departmental representatives by the guest speakers.

- Raymond W. Sooy, Chairman



MEMBERS OF STEERING COMMITTEE

Clell W. Studarus, Chairman  
Farmers Home Administration, Oakland

Norman Spangenberg, Vice-Chairman  
Forest Service, San Francisco

Raymond W. Sooy, Secretary  
Bureau of Agricultural & Industrial Chemistry,  
Western Regional Research Laboratory, Albany

William F. Brown, Member  
PMA Commodity Office, San Francisco

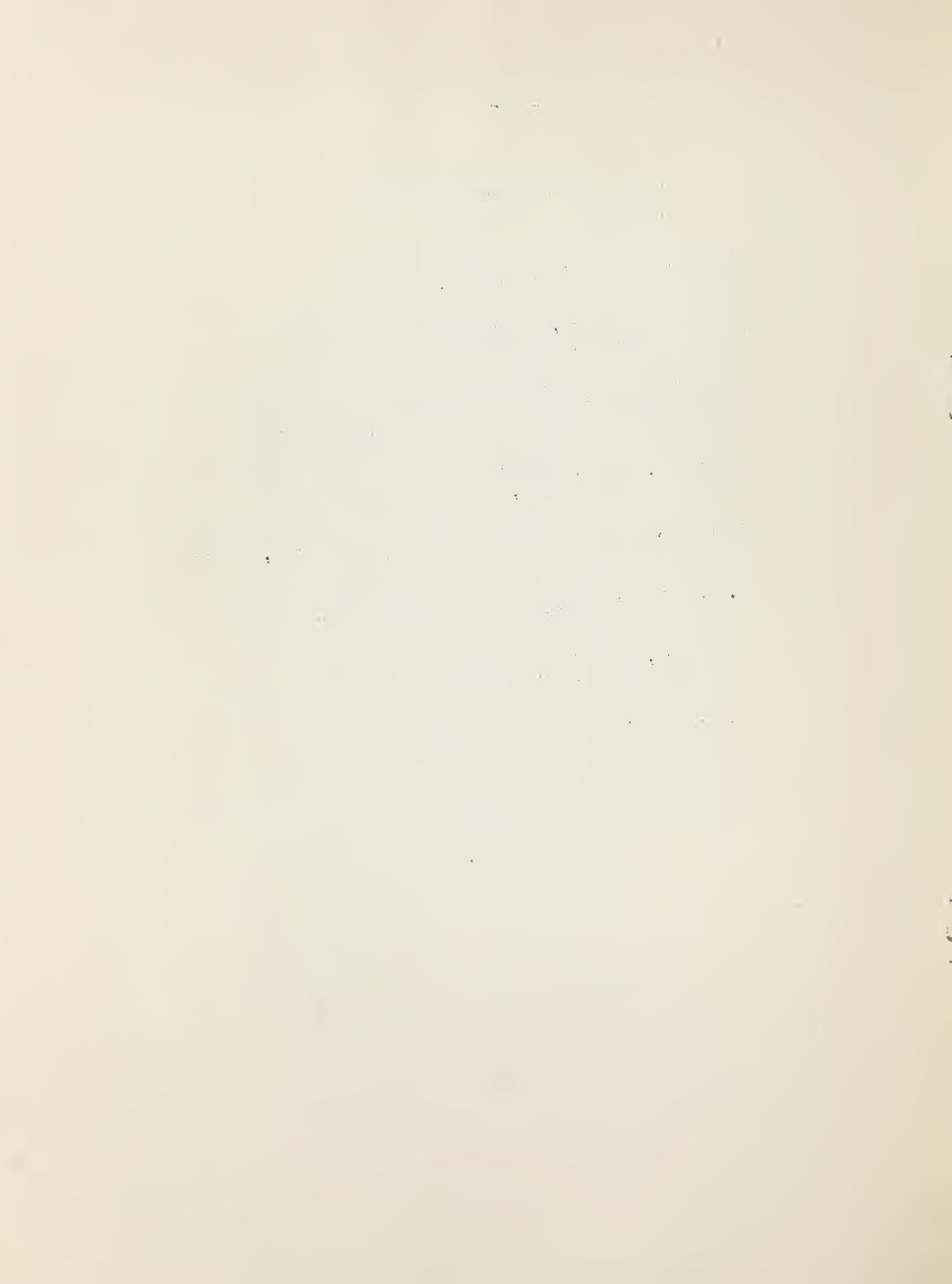
George I. Haney, Member  
California Forest & Range Experiment Station, Berkeley

T. H. Harris, Member  
Bureau of Entomology & Plant Quarantine, Oakland

Jack Kern, Member  
Forest Service, San Francisco

R. D. Perry, Member  
Soil Conservation Service, Oakland

George Randall, Member  
Food Distribution Branch,  
Production & Marketing Administration, San Francisco



AGENCY PARTICIPANTS  
LEADERSHIP AND MANAGEMENT SEMINAR

Albany, California  
January 26 - 30, 1953

Bureau of Agricultural Economics

H. L. Upchurch, Agricultural  
Economist

Bureau of Entomology and Plant  
Quarantine

Paul A. Ange, Administrative Officer  
Roy Blomstrom, Area Leader  
Benton Howard, Area Leader  
Edward L. Kessler, Administrative  
Officer  
Arthur London, Operation Supervisor  
Conrad P. Messela, Ass't Project  
Leader

California Forest & Range Experiment  
Station

Robert M. Miller, Forester, Forest  
Survey Section  
Francis I. Righter, Chief, Division  
of Forest Genetics

Federal Crop Insurance Corporation

Wesley Schlotzhauer, State Director,  
California and Arizona

Forest Service

Raymond G. Bell, Administrative  
Officer  
Dana W. Cox, Forester  
Emil H. Juntunen, Forester  
Russel P. McBreay, Forester  
Joseph T. Madel, Safety Officer

PMA, California State Office

Wm. J. Page, Executive Officer

PMA, Commodity Office

William F. Brown, Administrative Ass't.  
Dower Mohun, Chief, Program Operations  
Division  
Henry C. Soito, Chief, Fiscal Division

PMA, Food Distribution Branch

Charles E. Power, Administrative Officer,  
School Lunch Program

PMA, Personnel

Harvin Smith, Area Chief

Soil Conservation Service

Austin D. Warnken, Area Conservationist

Western Regional Research Laboratory

Amon H. Brown, Chemical Engineer  
H. K. Burr, Chemist  
H. C. Duffy, Purchasing Agent  
C. H. Kunsman, Head, Analytical, Physical  
Chemical & Physics Division  
Hans Lineweaver, Head, Poultry Division  
H. P. Lundgren, Chemist  
Harry S. Owens, Chemist  
J. E. Simpson, Commodity Industrial  
Analyst  
W. F. Talburt, Chemist  
R. H. Wilson, Pharmacologist





UNITED STATES DEPARTMENT OF AGRICULTURE

LEADERSHIP AND MANAGEMENT SEMINAR

San Francisco-Oakland Bay Area

January 26 - 30, 1953

AGENDA

Monday - January 26

9:00 - 10:00	Chairman's Discussion	Raymond W. Sooy, Western Regional Research Laboratory
10:00 - 12:00	Communication in Management	W. D. Hudson, University of California
1:30 - 3:00	Public Relations - Government Responsibility	William Winter, News Analyst, ABC
3:15 - 4:45	Employee Participation in Management	Joseph A. Braun, Schilling-McCormick Company

Tuesday - January 27

9:00 - 10:30	Getting Acceptance of Responsibility	Albert G. Bergesen, U. S. Navy
10:45 - 12:15	Broad Prospective of Management	Dr. Joseph P. Harris, University of California
1:30 - 3:00	Development of Employees, All Levels	Dr. E. K. Strong, Jr. Stanford University

Wednesday - January 28

9:00 - 10:30	Budgeting - A Tool of Management	Joseph W. Rupley, Bureau of the Budget
10:45 - 12:15	Localized Public Relations as Administered by Private Enterprise	Donald Still, General Motors Corporation
1:30 - 3:00	Auditing as a Tool of Management	W. R. Quigley, Auditor, PMA
3:15 - 4:45	Program Planning and Execution	Dr. Robert E. Walker, Stanford University

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

Thursday - January 29

9:00 - 12:00	Tour of Western Regional Research Laboratory	
1:30 - 3:00	Work Planning and Scheduling	Harry McGann, Pacific Gas & Electric Company
3:15 - 4:45	Work Standards and Measurements	Gerhard Jessen, Port of Embarcation, San Francisco

Friday - January 30

9:00 - 10:30	Control - Inspection, Reviews, Reporting	Lounsbury S. Fish Standard Oil Company
10:45 - 12:15	Administrator and Employee Responsibility for Public Service	D. S. Langsdorf, Bank of America
1:30 - 3:00	Scope of Personnel Management	Dr. Boynton B. Kaiser, University of California

21 - 21

100

## Communication in Management

by

N. D. Hudson

Mr. N. D. Hudson is Assistant to the Director of the Agricultural Extension Service, University of California at Berkeley. He is a pomologist and has served the State of California as Director of Extension at Fresno and Farm Adviser for Kern County. He has recently been placed in an administrative position and has become interested in communication in management.

Communication was defined as "The cooperative process of transmitting and understanding meaning." As such, it is essential to the retention of an efficient organization because progress and understanding of the purposes of any organization depend upon the ability of men to communicate with each other.

Successful communication depends upon the following factors:

- (a) mutual confidence between the parties concerned, (b) a sincere desire to share information and assure that no misunderstanding remains, and (c) a willingness to understand, again including both parties.

Meaning is conveyed by (a) words, spoken or written and with visual aids such as a blackboard; (b) interpretations - what is meant to others which involves the tone of the voice or facial expressions; (c) insight - people seek to determine what the communication means to them. Meaning is also considered as (a) a joint process, (b) involving feelings, and (c) with a purpose in view.

Because communication is partly subjective it is important to have the receiver respond as favorably as possible. Some helpful guides, with the factors involved to accomplish this, were given.

### 1. Facts

- (a) Be precise, which requires thorough preparation.
- (b) Be brief yet complete.
- (c) Use words to evoke the most favorable responses.
- (d) Define key terms and use examples.
- (e) State facts objectively and use standards.
- (f) Avoid abstractions and multiple meanings.

### 2. Feelings

- (a) Further emphasis on obtaining favorable emotions.
- (b) Beware of impulsiveness.
- (c) Obtain other person's side to insure cooperation.
- (d) Guide to understanding by considering related facts.
- (e) Seek common goal.



### 3. Purposes

- (a) Work toward insight by giving reasons for communication.
- (b) Be sincere so that long range as well as short range viewpoints are understood.
- (c) Include idealistic approach to help obtain a favorable response.

Further helpful discussion involved emphasis on creating a team spirit, having empathy, and being consistent.

One reference pamphlet was exhibited and referred to a number of times, "Effective Communication in Industry" by Paul Pigors, published by the National Association of Manufacturers, 14 West 49th Street, New York, 20, New York. It contains 88 pages with 8 pages of bibliography. Mr. Pigors was Associate Professor of Industrial Relations, Department of Economics and Social Science, Massachusetts Institute of Technology. This pamphlet was reported as the first Lt. Toland Memorial Fellowship Study to explore ways and means of improving employer-employee understanding and cooperation.

### Discussion

During the discussion which followed the presentation, several interesting points were developed.

Greatest emphasis was placed on following up all action communications. Supervisors should have training and knowledge of purposes, general policies, personnel of the department and individual agencies.

Telephonic communication offers both advantages in recording, in obtaining some reaction from voice inflections, keeping to the point; on the other hand there is no opportunity for observing usual responses.

Circulars or memos cannot anticipate emotional state of individual recipient at time of receipt, consequently they must be more carefully prepared and differently organized from oral communications. Memos from superior officers may have to be rewritten to give interpretation necessary to meet local conditions.

- C. H. Kunsman, WRRL  
H. S. Owens, WRRL





Public Relations - Government Responsibility  
by  
William Winter

Mr. Winter is the well known American Broadcasting Company news analyst, foreign correspondent and authority on international relations. Via the news and radio Mr. Winter has brought his factual analysis to the people.

In his opening remarks, Mr. Winter made the observation that to his knowledge the Department of Agriculture is the largest civilian Department of the Federal Government, but the least understood by the general public.

Public relations in the Government was compared to commercial advertising. It was pointed out that the public is not waiting for our product, but has to be sold, and the selling has to be done in a manner in which the public is willing to receive it. To be successful, people responsible for publicity - or public relations information - must find out what the public wants to know and to tell the story in a way the public wants to receive it. The ineffectiveness of the usual mimeographed handouts and technical publications was repeatedly emphasized.

Successful public relations depend in good measure on personal contact between the public relations representative of the agency and the editors, reporters, commentators and others who pass the information on to the public. Mr. Winter cited as an outstanding example the British Government which uses the personal contact approach. Specifically, it was suggested that the Department of Agriculture set up a Public Information Office whose sole responsibility would be to maintain personal contact with the people in the business of disseminating news. The person in charge should be a lay newspaperman and not a subject-matter or technical expert. The person would become acquainted with the news reporters personally, keep them informed of newsworthy developments and supply them with background material on items of current interest. Mr. Winter cited a current news story on the International Wheat Conference as an instance where he would welcome help in getting background material.

In the discussion period the following significant points were brought out:

The best antidote to the popular unfavorable public opinion of Government employees is a positive demonstration by the Government agencies of worthwhile accomplishments, and the part that individual employees contribute to such accomplishments. The present unfavorable public attitude can be attributed to the fact that people are inclined to generalize. Cases in point - British lack of sense of humor, etc.



Notable achievements, such as research developments, are a fruitful source of news articles.

Information must be distinguished from propaganda. Information is merely a statement of fact. Propaganda is attempt to paint the facts to a preconceived objective.

There is a distinct difference between information adapted to television as compared with radio and newspaper releases. Mr. Winter pointed out that the format for presentation by newspapers and radio commentators is pretty well standardized. On the otherhand, there is no set pattern for television. Main distinction is the visual impact inherent in television. Each television program is tailor-made to visual facilities available to the commentator, such as motion picture interviews, live interviews, maps, still photographs, etc. Writing material for actual presentation over radio, television or in newspapers are separate specialties. It was pointed out, however, that insofar as Government agencies are concerned the main thing is to give the pertinent facts in condensed form. Mr. Winter also pointed out opportunities for use on television of short (1 to 1-1/2 minute) film.

It was brought out that whereas most mimeographed and printed material goes directly to the wastebasket and never comes to attention of the persons for whom it is intended, a brief individual typewritten letter generally gets personal attention.

It was predicted that television would have a greater impact on public opinion than any other media. It was brought out that radio relies pretty much on repetition to get results whereas on television, results are almost instantaneous. Mr. Winter cited differences in results obtained in commercial advertising. Television has proved to be less susceptible to misinterpretation by the audience.

As an example of a Federal agency doing a satisfactory job, Mr. Winter cited the Armed Services. Their success was attributed in part to the greater human interest and drama involved in Armed Services Activities, but fundamentally is due to use of the personal contact approach and good organization and proper staffing of the Public Information Office.

- Hans Lineveaver, WHRL  
R. G. Bell, Forest Service



Employee Participation In Management  
by  
Joseph A. Braun

Mr. Joseph Braun is comptroller of A. Schilling & Company, which is a division of McCormick & Company, Incorporated. He was assistant treasurer of McCormick and Co., Inc., since 1944 and was then transferred to A. Schilling & Company in 1947 as comptroller. He has been with McCormick & Co., Inc., for more than ten years; he has served on their Junior Board, was president of their Senior Board, and is now a member of that board. He received his early schooling in Baltimore, Maryland and received his CPA in the State of Maryland.

Mr. Braun presented the story of "Multiple Management" as a successful method of employee participation in management. He illustrated his remarks with slides and recorded remarks. His visual-audio presentation was prepared with some interesting remarks concerning the workings of the "Multiple Management" plan. "Multiple Management" is a revolutionary theory in which employees should help run industry and in return for work the year-round, receive better than union wages plus a share in the profits.

In 1932, Charlie McCormick found himself thrust into the presidency of the McCormick Spice Company by the death of his uncle, W. M. McCormick. The company had been long dominated by the older McCormick and ran as a one-man organization. To enable the younger McCormick to more efficiently manage the far flung company, he adopted a method of employee participation termed "Multiple Management."

Mr. Braun said that "Multiple Management" was more than employee participation. It was also a program of human relations and employee development. The broad principles of this program are applicable to Government work and have been used by department stores and churches.

Briefly the principles of "Multiple Management" are:

1. A Junior Board of Directors to provide new ideas and fresh talent.
2. A Factory Board and a Sales Board to provide the same services for merchandising, sales and advertising matters.
3. These Boards funnel new ideas and new talent into the Senior Board of Directors.
4. The Senior Board reserves a veto right on all recommendations, and proposals must be unanimously passed by the Board making them.
5. Of more than 2,000 Junior Board suggestions, only six have been rejected.



Originally Board members were appointed, but now the Boards are self-perpetuating by member elections.

In addition to the employee suggestions which have been beneficial to the Company, Mr. Braun pointed out that "Multiple Management" has helped his Company train and develop executives for places of leadership in the organization.

Although American business as a whole is still timid about adopting "Multiple Management," more than 500 companies in the East have done so, and on the West Coast approximately 20 companies have adopted this plan of management.

- H. C. Duffy, WRRL  
J. T. Radcl, Forest Service





Getting Acceptance of Responsibility  
by  
Albert G. Bergesen

Mr. Albert G. Bergesen is District Civilian Personnel Director for the Twelfth Naval District. He is a member of the Federal Personnel Council and served for two years as its chairman; he is a member of the American Society for Public Administration as well as being a member of the Bureau of Inter-Governmental Relations on the Pacific Coast.

Mr. Bergesen, in a most friendly, informal and provocative way, successfully secured group participation in a discussion of "How To Get Acceptance of Delegated Responsibility".

He mentioned the natural progression from the old straight line concept of authority to the line-staff organization which is now widely used and is considered most adaptable to the present organizations which are daily becoming more complex. In an organization of this type we often encounter what might be called "executive neurosis". The individual who develops "executive neurosis" is usually characterized by a rapid rise and an early death. He feels himself to be indispensable. He believes that no one else could possibly handle the job and is therefore not likely to delegate responsibility as he should. An attitude of "executive neurosis" may permeate the entire organization, and death or transfer is apt to leave a sick and neurotic organization. The main theme of Bergesen's talk was "To Avoid Executive Neurosis In All Levels Of Management".

Basis of Organization: We all have pretty organizational charts, but outfits don't operate that way - instead - there is always an "informal organization". In understanding the informal organization we learn which department heads and subordinates mingle together in course of accomplishing the everyday work. Various formal positions may be informally side-stepped either officially or socially in accomplishing the every day work. A knowledge of the informal organization will reveal "who does business with whom". Different grades or classifications are further signified by "Status Symbols", expressed by such items as big desks, a rug on the floor, and might even extend as far as the make of car and residential location. Such informal organizations are here to stay and they should be recognized and modified to fit the formal organization as closely as possible. The executive should know what this informal organization is and not stifle it.

One basic principle is that authority and responsibility must not be separated.



Why Isn't Authority Delegated? All people have a mild neurosis and are afraid of the man under him. Actually, to build up the man and his position under you raises yourself and your position.

In Federal Service under the merit system it is difficult to get rid of mediocrity. Subordinates should be trained to accept responsibility. Responsibility and authority are best delegated in writing and inclusion in job descriptions. Job descriptions should be kept current at least once a year.

Classification as now practiced is not a science. The Civil Service Commission does not have adequate standards. Classification still reflects personal interpretations. Budgets should not affect classification but they do.

The only honest way to get acceptance of authority and responsibility is through the development of leadership in subordinates and in all levels of organization. This is done by:

1. Giving praise, superior pay increases, Title 10 awards and group awards.
2. Training of subordinates and especially on-the-job-training in addition to formal training such as we are getting here.
3. Not being a "Technical Hog". Leave the technical answers for the technicians to answer.
4. Actually practicing leadership characteristics by developing deftness of decision, good appearance, courage of your convictions, and loyalty both to superiors and to subordinates.
5. Giving subordinates a chance to grow and expand.

- Dana W. Cox, Forest Service  
Austin D. Tarnken, SCS



Broad Prospective of Management  
by  
Joseph P. Harris

Dr. Joseph P. Harris is professor of Political Science at the University of California. He received his Bachelor's degree from the University of Kansas and his Ph.D. at the University of Chicago. His contribution to Public Service was extensive in both educational and administrative fields.

Dr. Harris began his address by referring to a fairly recent opportunity he had, along with representatives of forty other universities, to visit, inspect and live with the famous Du Pont organization with a view toward a complete understanding of that company's organizational policy. It was evident to Dr. Harris that the Du Pont empire is the proof of successful enterprise competing for its place in the sun today as compared with industry of 50 years ago when each organization was headed by a single individual as "captain" of the industry.

Using Du Point as a model, Dr. Harris illustrated how the Board of Directors interpreted policy passed on to them by two extremely important bodies; one consisting of officers who have proven their value to the company in direct "line" work, and who now form a committee to pass judgment on policy matters where top-flight decisions are required; the second of these important groups is the financial control group. The latter group consists largely of the relatives and heirs of the Du Pont family and is concerned solely on recommendations passed on to them by the first-mentioned organization.

Department heads are paid in the neighborhood of \$100,000 per annum and are charged with the responsibility for the successful operations of their departments together with the necessary authority to assure success. Dr. Harris stressed that it is unthinkable that the Board of Directors would ever reverse the decisions of the department heads. They do, however, hold several "trump cards" which can be played if necessary. One is the unquestioned ability to remove a department head from his position if they are not completely satisfied with his services; secondly, we understood from Dr. Harris' remarks that a part of the finance committee is formed into a bonus committee which awards bonuses to various department heads that may sometimes be as large as their actual salaries. The size of the bonus, therefore, becomes, to a certain extent, the yardstick by which the department head's efficiency can be judged.

Touching on the field of human relations, Dr. Harris presented charts and graphs taken from records of factories involved with production which graphically illustrate the increased production possible where supervisors concern themselves primarily with employee welfare as compared with those units where supervisors dwell entirely on driving production. Another interesting point brought out by Dr. Harris was a contradiction of the movie-type executive created in the minds of many. Dr. Harris stated that authorities agree in general that the truly successful executive is not normally



that dynamic, dashing, constant interviewer, always on the go, making snap decisions, etc. which many of us picture in our minds when attempting to illustrate the typical successful executive. To the contrary, Dr. Harris stated that the type is usually quite deliberate, who never makes a decision until all of the possible facts involved have been made available and carefully considered, and that the facts, once thought out, probably are reviewed in the executive's mind a number of times and from a number of different angles before the decision, as such, is reached.

The group was especially fortunate to have had the opportunity to hear this learned lecturer and to participate with him in the lively discussion which not only followed his remarks, but which broke out spontaneously during his talk.

- Raymond W. Sooy, WRRL





Development of Employees, All Levels  
by  
Edward Kellogg Strong, Jr.

Dr. Edward Kellogg Strong, Jr., Professor of Psychology Emeritus of Stanford University, was born in Syracuse, New York, August 18, 1884. He received his Bachelor's degree at the University of California in 1906, his Master's in 1909, and his Ph.D. at Columbia University in 1911. Dr. Strong has had extensive experience in research, education and disseminating information on psychology, particularly with regard to the application of psychology to advertising, vocational interests and on recognition memory. His many articles and journals have had wide distribution and are authoritatively used in the field of education.

Dr. Strong opened his discussion of "Development of Employees, All Levels" by giving results of interest tests given to Stanford University students. From 1927 to 1930, many students in engineering and medicine were tested. He found that 33% of the engineering students who scored an "A" in tests designed to measure engineering interest are still following engineering and that 53% of the medical students who scored "A" in a medical interest test are still in medicine. Only 1% of the students who scored a "C" are practicing the profession for which they trained. These points were made to illustrate the error of putting men into jobs in which they are uninterested. Federal agencies often move people without regard to their interests. Dr. Strong contended that this practice is fundamentally wrong.

Satisfaction and morale of the employee are largely dependent upon the amount of participation and freedom of action allowed by management. Industry has been searching continuously for means and methods of giving workers the right amount of freedom of action in participating in the management function. Organizational structures vary from highly centralized to highly decentralized. The pendulum swings from one extreme to the other in search of the ideal. To date it has not been discovered.

Dr. Strong stated that no matter what happens in an organization, management is always 100% responsible. Therefore, to accomplish desired results it must state in clean cut language what, where, why, who, and when. The reason people do not know how to do a job is because they do not know what the boss wants. If the objectives are clearly defined and adequate instructions given, the average employee will perform the task satisfactorily. Dr Strong contended that political platforms and the platform of the National Manufacturers Association were outstanding examples of ambiguous and confusing objectives.

Dr. Strong contends that management's attitude toward employees has but two approaches, either replace the man if his work is unsatisfactory or train him to do the job as management wishes it done. Replacement is not the solution; training is. Management's attitude toward the employee should be as though it were dealing with a mechanism, albeit, a very delicate, complicated one. If the mechanism is not functioning properly repairs are needed; repairs in the form of training on the job. Seldom is replacement the solution.



Through training, management should aim to accomplish high efficiency and high morale. Dr. Strong contends that emergencies bring out the best in an employee. The employee becomes responsible for making important decisions. He becomes part of management. Training should also bring out the best in an employee in the everyday situation.

Dr. Strong claims that the best training program is attained on the job and not by a specialized training department. It is management's responsibility to determine where training is to be done and where it is needed. One of the best ways to train employees is to submit the problem to them for solution. Make them responsible for the operation of a particular unit. They devise the program and as a result no selling becomes necessary. The employee's cooperation becomes assured. Management has aroused his active desire to participate in the jointly agreed upon plans.

Dr. Strong believes that job descriptions offer one possibility of getting employees to understand what they are to do. He suggests destroying all existing job descriptions. Employees should then write their own to get the information into their minds. The function of a job description should not be to establish pay rates but to accomplish necessary training.

Group discussion developed the following facts:

1. The whole trend in the armed forces and in industry is from the autocratic to the democratic. We do not know exactly where we are going or how we are going to get there, but we are moving.
2. Government rules and regulations are prescribed as the result of unethical conduct of a few employees. Such rules and regulations keep accumulating to the extent that a large percentage of Government employees' time is spent in enforcing them.
3. Writing the job description of high level managerial positions is difficult. In fact it has not, as yet, been achieved satisfactorily. The essence of a managerial job is sensing, calming down, speeding up, bringing into line, judging and so forth. The difficulty is that we do not yet know what the managerial job really is.
4. The broad problem of management is to get people to want to do their job and then give them enough freedom to try out their own ideas.

- C. E. Wessela; BEPQ  
Roy Blomstrom, BEPQ



Budgeting - A Tool of Management  
by  
Joseph W. Rupley

Mr. Joseph W. Rupley was born in Denver, Colorado, in 1902. He received a B.S. degree at Whitman College in 1923. For several years he served as Assistant General Agent and Personnel Officer for the Farm Credit Administration at Spokane, Washington. In 1943 he moved to the position of Director of Personnel and Acting Executive Officer with the Office of War Information in Washington. Later in 1943 he accepted the office of Chief Field Representative for the U. S. Bureau of the Budget at San Francisco, which position he currently occupies.

Mr. Rupley opened his remarks by stating that the program is the most important single item in the lives of most Government executives, and that budgeting is merely placing an evaluation on the program. An action program requires the budgeting of men, material, money, and time. Performance budgeting is another name for program budgeting and involves plans, performance, and audit of the four factors mentioned above.

The traditional budget emphasizes objects of expenditure, while the performance budget emphasizes activities.

Performance Reporting is based on Operations or Activities, and for each activity shows work accomplished in:

1. Volume
2. Time
3. Cost

Performance Reporting permits three-way summary by:

1. Activity
2. Objectives
3. Organization

Performance Reporting provides:

1. Better budget formulation (e.g., activity times cost equals budget estimate)
2. More effective presentation
3. Better over-all execution and control

Performance Budgeting in management provides check-up on programs in:

1. Time
2. Volume
3. Total cost
4. Average unit cost

The discussion centered around the current concepts of budgeting in the various Federal agencies. While program or performance budgeting is being adopted by additional agencies each year, it was estimated that



approximately 10 years would be required to obtain general acceptance of the method. The necessity for careful, over-all appraisal of program requirements was emphasized. As an example of this need, there is in the U. S. Public Health Service a desire that unlimited funds should be made available for such items as cancer and polio research. Mr. Rupley pointed out that a decision must be made to keep such programs within economic limits, and that management must decide on a limited performance budget, or to what extent they plan to work.

Mr. Rupley's remarks were well illustrated by the use of charts depicting performance budgeting in one of the larger Government agencies. His presentation of "Budgeting as A Tool of Management" was both informative and stimulating to a high degree.

-E. L. Kessler, BE&PQ





Localized Public Relations  
as  
Administered by Private Industry  
by  
Donald Still

Mr. Donald Still is in charge of the Public Relations Department for General Motors Corporation in the Western region which is made up of eight states. He is a westerner, having been born and educated in Arizona and, among other things, has worked in publicity for the City of Palm Springs. There are eleven regional offices in the General Motors Public Relations Department, each with definite field responsibilities. In addition, each of the 35 or 40 divisions of the company also maintains their own public relations departments.

General Motors is apparently very conscious of the value and necessity of maintaining a friendly climate for their enterprises through good public relations. To achieve this, they have developed groups or committees within their own organization to cover all segments or levels of our population.

Plant City Program: In cities where large manufacturing facilities are maintained (4 cities in California) public relations are handled by a "Plant City Committee" made up of top management within the plant. They meet monthly to discuss local civic problems such as Community Chest and Red Cross drives.

Field Relations Committee: These committees are composed of members from Plant City Committee and meet every other month.

General Motors Clubs: These clubs are organized only in the large cities such as Los Angeles, San Francisco and Portland; (there are 37 units in the United States) with the membership selected from the various General Motors Divisions that operate within the area. These provide opportunity for men in the organization to meet periodically that, without such a club, would not become acquainted. Outside groups and civic leaders are invited to the meetings where movies or talks on safety, research, company policy, etc., are given. Dealers do not belong to this organization.

Quarterly Clubs: In smaller cities, other groups operate as "Quarterly Clubs". Dealers may belong to this organization (225 in the United States).

Community Relations Points: In smaller communities (usually agricultural areas) General Motors dealers or other representatives select one of their group to act as chairman. This chairman serves for two years and is responsible for furnishing a mailing list of 250 names



selected as "thought leaders" of the community. These lists are sent to the home office in Detroit and serve as mailing lists for General Motors publicity released several times each year. No sales offers are included in the printed matter sent out and each is accompanied by a letter of transmittal signed by the chairman of that particular community relation point.

The activities of above organizations cover practically every community whether large or small. In addition, many other means of obtaining "good will" are used.

1. Educational films for schools and other organizations. In a recent year, 2,500,000 persons saw these films at 40,000 showings.
2. Advertising in magazines and newspapers.
3. Radio - Henry J. Taylor, commentator.
4. Television advertising.
5. House organs or publications such as General Motors Folks or G.M.A.C. News and Views.
6. Chevrolet All-American Soap Box Derby.
7. Fisher Body Craftsman's Guild.

The Public Relations Department has responsibility for local press relations. Plant and division managers are encouraged to become better acquainted with newspapermen and release news stories whenever available. These must be news and must be cleared in Detroit if they involve policy. Kits have been prepared containing material for public addresses and available to top management. This material includes nearly all phases of the company's operations.

Mr. Still indicated that his office may have printed matter that would be of interest to members of the conference. His address is 405 Montgomery Street, San Francisco 4, California.

- Paul A. Auge, BE&PQ  
W. F. Talburt, WRRL



Auditing As a Tool of Management  
by  
W. R. Quigley

W. R. Quigley, Office of the Audit of the Production and Marketing Administration, received his degree in Business Administration from the University of California. He has been with the Department of Agriculture since 1933; 8 years with Forest Service, 4-1/2 years with Budget and Finance, and for the past 6-1/2 years in his present position.

Mr. Quigley had a very interesting topic entitled "Auditing As a Tool of Management". He opened his remarks by stressing the fact that the use of the term "audit" was intended to mean those internal controls which any administrator or person in top management needs to assure that the policy operations as prescribed are actually being adhered to. He likened this concept of management to the farmer who, in planning a two-week vacation away from his farm, left specific orders for his hired hands to build a certain type of fence meeting certain specifications across a certain specified field. Mr. Quigley pointed out that normally a farmer could not expect his orders to be carried out perfectly unless the hired hands could be assured that, upon his return, the farmer would make a very careful inspection of the job originally contemplated to assure not only that it would do the job required but that it would be constructed in accordance with his predetermined specifications.

As a general rule, Mr. Quigley emphasized, this internal audit should be kept separate and apart from the actual program operation. It is his contention that while a certain amount of training can be gained from the audit function, its primary job should be to report findings to top management. Mr. Quigley further stressed that while many recommendations could be forthcoming from a good audit, it was imperative, in his opinion, that the auditor not be endowed with authority. There was general agreement with this overall viewpoint.

In the discussions which both accompanied and followed Mr. Quigley's talk, the group was apprised of the internal control as it operated in the Forest Service, Soil Conservation Service, and Bureau of Agricultural and Industrial Chemistry.

While much of Mr. Quigley's talk was not for a specific application by members of the group, his remarks, policies and general thoughts stimulated the thinking of this group along lines which certainly would prove valuable to each member as he returns to his desk next week.

A sincere debt of gratitude to you Mr. Quigley!



Program Planning and Execution  
by  
Robert A. Walker

Dr. Robert A. Walker is associate professor of Political Science at Stanford University. He matriculated at the University of Chicago where he received his Ph.D. Dr. Walker was a member of the staff of the Office of Budget and Finance, United States Department of Agriculture, during the years 1940 through 1945, and in 1945 was Assistant Director of that Office.

In his opening remarks, Dr. Walker stated that of necessity his talk would be confined to the theory of planning in administration, as the numerous components involved in planning when applied to specific facts require adjustments to meet such facts.

The theory of planning in administration involves two common elements which can best be expressed by two questions:

1. What are we going to do?
2. How are we going to do it?

In addition, good program planning will encompass long range goals as well as immediate goals with the latter being more specific as to detail.

Dr. Walker then stated that the significance of planning and its importance to administration might well be outlined as follows:

- (a) Budget Relationship - Proper presentation of annual budgetary requirements forces planning some long range goals and demands; if it is to be adequate, expression of specific immediate goals. To be properly representative, such planning should be developed from thinking emanating in the section and divisional levels, and thence work up to management.
- (b) Organization for Planning - In the final analysis planning is an executive responsibility. To carry out such a responsibility effectively, it is necessary that the task of planning be formulated and produced by specialized planning assistants grouped in a planning unit. It should be noted that there are two inherent dangers confronted by all planning specialists, viz.:

External - Political opposition to the proposal.

Internal - Bureaucratic opposition to the proposal. This generally stems from fear by entrenched elements that new plans will diminish their authority and responsibility.





- (c) Political Relationship - Program planning in Government cannot avoid being political and its successful acceptance will probably be in proportion to its presentation in harmony with the existing political atmosphere. Thus it is that the higher one goes in planning authority the more he will encounter the stress on policy and the political significance. Conversely, lower down the line of planning authority is encountered the stress on the technical aspects of planning.
- (d) Personnel Relationship - Planning is of vital importance to the health of the organization. Employees must see a purpose to what they are doing, particularly as applied to their own specific organization. It is essential, however, that at higher levels of planning, loyalty to a particular skill must give way to identification to program and overall organization.
- (e) Application - Good planning is a question of good people having time to think about planning. Plans of course are confidential material. Planners should not attempt to push a plan through the media of a report put out under their own auspices in order to sell the plan. Such action will invariably fail. Plans must remain an administrative matter until the politically designated person in the agency (for e.g. - the Secretary) accepts the plan and presents it as he deems appropriate.

- Dower Hohun, PMAC  
Henry C. Soito, PMAC



Work Planning and Scheduling  
by  
Harry McGann

Harry McGann, General Auditor, has been with the Pacific Gas and Electric Company for 36 years. He is also the Treasurer of the Pacific Coast Gas Association.

Mr. McGann opened his remarks by stating that any integrated business, such as the P. G. & E., has many work phases. In the management of such an organization, work planning and scheduling are of high importance to assure that the best possible service is provided at the most reasonable cost.

Factors cited as affecting work planning and scheduling were:

1. The results required by management and/or regulation.
2. Personnel assigned to unit.
3. Housing of unit.
4. Type of equipment used and number needed.
5. Facilities for communication and transportation of records.
6. Time element - scheduling of data collection and compilation so that report due dates are met with current information and in such a way that personnel and equipment are fully utilized.
7. Cost must be justified by the end results.
8. Allowance must be made for flexibility in order to cope with changing conditions and emergencies.

As examples in application of factors affecting work planning and scheduling, Mr. McGann cited his company's "cycle basis" plan of management in (a) billing customers, (b) operation of their central supply depot, and (c) payrolling employees. In each instance, emphasis was placed upon the importance of timing in the scheduling, planning and execution of work; a gearing of the job to the clock and the calendar. In this respect, it was pointed out that realistic scheduling assures an even flow of work in all departments, tends to eliminate peak loads and promotes flexibility of operation.

It was also pointed out by Mr. McGann that in work planning and scheduling, it was important to give full recognition to localized conditions. An example given was the effect of the means of transportation or communication systems available for use. Another was gearing a construction program to probable weather conditions.

Proper scheduling of each phase of the work - data collection, auditing, compilation, analysis and preparation of reports - assures an



even flow of the work and eliminates wide fluctuations in the work load of any section. In this connection, it is essential that there be close cooperation between sections so that the proper material will be present in the proper amount at the proper time. It was pointed out that the system must be flexible and that the plans and schedules must be continually reviewed to keep the work flowing smoothly as conditions change.

In summary, Mr. McCann stated that:

1. Work planning and scheduling are a function of the staff organization working in cooperation with the line organization.
2. Planning in advance must be done to obtain the best results in the least time and with the least cost.
3. Scheduling supplements planning but is directly related to (a) determination of the job content, (b) equalizing the work load, and (c) coordination of schedules.
4. Work planning and scheduling combined is analyzing the problem and then doing something about it so that the job will get done in the best way.

Points covered in group discussion were:

1. Training on the job is desirable as is the filling of more responsible jobs with individuals from within the organization.
2. All procedures and policies should be clearly stated in writing and fully understood by all employees.
3. Work sequence is important in getting an effective job done at the most reasonable cost.
4. There should be employee participation in management. Employee suggestion is one method of accomplishing.

- R. P. McRorey, Forest Service  
R. M. Miller, C.F.R.E.S.

1. The first part of the paper discusses the importance of the study of the history of the United States. It is argued that a knowledge of the past is essential for a full understanding of the present. The author then proceeds to discuss the various factors that have shaped the development of the United States, including the role of the individual, the influence of the environment, and the impact of the economy.

2. The second part of the paper discusses the role of the individual in the development of the United States. It is argued that the individual is the primary agent of change, and that the actions of individuals have shaped the course of the nation's history. The author then discusses the various factors that influence the individual, including the family, the community, and the culture.

3. The third part of the paper discusses the influence of the environment on the development of the United States. It is argued that the environment has played a significant role in shaping the nation's history, and that the actions of individuals have been influenced by the environment. The author then discusses the various factors that influence the environment, including the climate, the geography, and the resources.

4. The fourth part of the paper discusses the impact of the economy on the development of the United States. It is argued that the economy has played a significant role in shaping the nation's history, and that the actions of individuals have been influenced by the economy. The author then discusses the various factors that influence the economy, including the technology, the labor, and the capital.

5. The fifth part of the paper discusses the role of the government in the development of the United States. It is argued that the government has played a significant role in shaping the nation's history, and that the actions of individuals have been influenced by the government. The author then discusses the various factors that influence the government, including the constitution, the laws, and the policies.

6. The sixth part of the paper discusses the role of the culture in the development of the United States. It is argued that the culture has played a significant role in shaping the nation's history, and that the actions of individuals have been influenced by the culture. The author then discusses the various factors that influence the culture, including the values, the beliefs, and the customs.

7. The seventh part of the paper discusses the role of the future in the development of the United States. It is argued that the future is a constant presence in the nation's history, and that the actions of individuals have been influenced by the future. The author then discusses the various factors that influence the future, including the vision, the goals, and the dreams.

Work Standards and Measurements  
by  
Gerhard Jessen

Gerhard Jessen is Assistant Port Controller of the San Francisco Port of Embarkation. He is in charge of several sections which include administrative management, fiscal work and machine records; handles cost accounting, program analyses, methods analyses and procedure studies. The work of his office involves all phases of vessel operation and is the largest transportation service on the West Coast, employing about 5600 people plus all the Port's contractual work. Mr. Jessen is a graduate of Golden Gate College, San Francisco, and he entered Government service in December, 1941, at the Port of Embarkation.

The purpose of the port is to handle loading and movement of cargoes and passengers through California. This involves many kinds of operations and the 5600 personnel now must handle what 30,000 personnel handled during the war. Improved techniques enable the reduced staff to get the work done. For example, the processing of vehicles, which formerly required 4.5 hours was reduced to a job requiring .5 hour. Thus, the performance standard was drastically altered through work measurement.

Background of Work Measurement

Progressive executives recognize the need for some method of work measurement to properly plan and effectively control numerous and various functions of modern business. Up to now, however, control and work measurement emphasis has been placed mainly on productive or shop labor. Only now is the extreme importance of measuring administrative, clerical and office work becoming recognized. Unless there is some means of measuring clerical activities, the Government manager will never be able to properly schedule, plan, budget, staff, etc. The extreme importance of measuring administrative activities is pointed out by the fact that the number of office workers has increased by about 400% in the past 40 years. This is the last frontier where the greatest improvement can be made. Work measurement has a long history in industry.

Importance of Work Measurement to Government

Work measurement in Government is especially important for management improvement in general, for performance budgeting, progress planning, work scheduling, manpower programming, accounting and cost control. Without measurement, the executive works in the dark since he has no basis for comparison or control, no way of knowing his organization's capacity, efficiency, economy or relative accomplishment. Effective management combines measurement of progress with control techniques necessary to get economical use of manpower, material and equipment.

Supervisors must know what every employee is producing and what he is worth to the organization. Is the employee an asset or a liability, is he producing to the best of his ability? We cannot now afford to ignore the costs of operations and there must be some means to measure what we are doing.





## General Aspects of Work Measurement

Work measurement is nothing more than the measurement of work. Another way to define work measurement is to consider it as a technique for collection of manhours expended and work units produced in various operations, and the development of production standards for these operations. It is a method for establishing an accountable relation between work performed and manpower used. Let us see how work management is used. It provides management with reliable and valid production data. It is used to keep strength of various production units at proper level; to transfer personnel promptly between activities according to workload fluctuation; in evaluating effect of improvements in organization, methods, procedures, equipment, training; substantiates requests for additional personnel; and for comparing performance of similar activities and installations to detect reason for variation.

Work management is also used in performance budgeting to determine, explain and evaluate program cost, personnel requirements and unit costs, and to support request for personnel ceilings and fund allotments. There is also a relation to cost accounting.

Before setting up a work management system and in developing a system, it is of vital importance to consider the human relations aspect. We must at all times keep in mind and account for the human element. It is the most important consideration apart from the technical aspects because it can make or break the system. Plan must have the support not only from top management but must be accepted by employees. People must be assured that they will not lose their jobs solely because of installation of a WM system. Excess personnel should be reassigned to other jobs or staffs or reduction can be effected through attrition and turnover.

The goal of a WM system is over-all improvement in operation and cost reduction. This must be achieved at the least possible cost. One must consider whether or not such a WM system will require additional personnel and that must be weighed against the benefits derived.

## Development of Work Management System

Determine at the outset what is to be measured, what information is needed, what is already available and what must be obtained. Too broad a scope will tend to be less effective. Measure those operations that promise greatest savings in manpower and costs, such as routine, repetitive work, bottleneck operations where relief is essential, leaving other operations for later. In selecting the activities we want to measure we then select the work unit. Activity is defined as a group of related functions which may be carried out in an office. Next we are ready to select and define the components of the activity to be measured and the work units to be employed. There are two major categories of work - measurable and unmeasurable. We must identify these so that we do not attempt to measure that which is unmeasurable, such as fixed activities, organization structure, research and certain staff activities. Having decided what is measurable, we are ready to define a work unit. The latter is a tangible and countable expression of production or performances which can be identified and described. For example, case, letter, file, tons shipped, etc. It must also reflect work effort, must have consistency and it must be expressed in familiar terms. Having selected and defined



the appropriate work unit, we must choose the proper time unit and the most commonly used unit of time which meets all criteria in the man-hour. It is most convenient, requires the least record keeping, it is accurate and requires few calculations. The reporting system which funnels the data - time unit and work unit - must be clear, understandable, timely and valid.

Once the production data has been collected, work standards must be developed. What are these standards and what do they do? They facilitate the analysis of WM data for control, budgeting and management improvement; assist in comparative studies of performance; provide goals or incentives. To be a goal standard it must meet the following criteria: attainability, applicability, performance and equitability. There are several methods of developing standards from production data, such as:

Engineered or stopwatch standards (used for routine, repetitive, large volume operations)

Synthetic standards

Subjective standards (rule of thumb)

Statistical or Production standards (one most used in Government WM)

Before setting standards one must accumulate information on rates of output, analyze that information and account for variation in product. As data is gathered, the work units and related time consumed, we develop performance ratios which are the total productive man-hours divided by the total number of work units produced. Only productive man-hours are taken into account. Ratios are collected for a period of time. Variance in ratios for the same operation is generally due to (1) errors in reporting; (2) varying work methods; (3) different working conditions; (4) different quality standards. It is essential to iron out these fluctuations as much as possible before using these performance ratios to develop standards.

After gathering product data for at least 6 months, one is ready to select the standard. In the statistical method, the most common standard is the upper quartile, derived after arranging performance ratios in descending array. The upper quartile is a standard which provides an incentive and is also attainable. It must, of course, be realistic in terms of special operating problems and seasonal workload fluctuation. It must also consider minimum quality requirements.

Finally, one determines percentage effectiveness. This tells how well personnel is utilized in the conduct of operation. It is expressed as a percentage by comparing actual man-hours expended with standard man-hours.

Work Measurement is a means to an end and not the end itself.

- C. E. Powers, PMA Commodity Office  
F. I. Righter, C.F.R.E.S.



Control - Inspection, Reviews, Reporting  
by  
Lounsbury S. Fish

Mr. Lounsbury S. Fish, a graduate of the Civil Engineering School at Stanford University in 1921, is Assistant Manager of the Department on Organization, Standard Oil Company of California. His work is concerned with organization and management, methods, procedures, cost controls, wage and salary administration, and practically all phases of administrative control. In 1939 Mr. Fish participated in a broad study of management in 30 of the largest corporations in the United States under the auspices of the Stanford Graduate Business School, and in 1946 he was requested by General Lucius Clay to help resolve the management problems in the occupation of Germany.

In recent years there has been an awakening interest in the theory and practice of management both in industry and in Government. Leaders in the field are taking a professional, or even scientific, approach toward management. Management, of which control is one of the aspects, can be divided into the following elements:

Planning - The anticipation and forecasting of needs, the determination of basic objectives and of guiding policies, the formulation of programs, plans and schedules, and the establishment of appropriate measurements of performance.

Organizing - The study and determination of structure and of relationships within the structure, the division of the job to be done into manageable pieces, and the making of clear-cut assignments, the delegation of responsibilities and making sure that all responsible people understand the structure, relationships, and assignments.

Activating - "Setting the wheels in motion", personal leadership, the developing and motivating of people, the assigning of responsibility, authority, and accountability, and the directing of the utilization of manpower and effort.

Coordination and Control - the "follow through", measuring performance, inspecting, reviewing, appraising, and taking steps to improve the weak spots in the operations.

In the same way "control" may be broken into its basic elements:

Planning is the foundation of control and is concerned with the question, "Where are we going?" Long and short range objectives must be laid down and clarified. "Fuzzy objectives lead to fuzzy achievements". The end results must be visualized. The goals of a year from now or of five years from now must be made clear and set down in black and white.





Organization must be engineered to achieve the objectives. Responsibilities must be clarified and assigned. Accountability can be assigned only after the responsibility is understood. With responsibility "either you is or you ain't". It must be clear-cut and all members of the team must understand the distribution of responsibilities.

Measuring involves the establishment of measures of performance adjusted precisely to the responsibilities. The standards of performance must be realistic, but not too easy. Like "par" for a golf course, it is something to strive for. A shrewd analysis of facts, reasons, and causes is needed before the standards can be set.

Reporting is an art which has not received enough attention. Usually there is too much "poop of paper". Good staff work must come first; then the report must be so written as to meet the needs of the busy man at the top who will take action. It should be concise, but sound, so that the right decision will be made. It must present a balanced picture and contain the essential facts but no unnecessary detail. The significance of the facts must be clear. Timeliness is essential, for an out-of-date report is usually of little value. A report must be a guide to decision and action.

Inspecting and reviewing can best be done by the executive personally and on the spot, rather than by reading reports. "One sees a lot that can't be put on paper". This personal inspection gives the executive a chance to explain policy to the people in the field and to appraise these people. It gives him some familiarity with local problems and conditions and provides an opportunity to talk over the program, plans and projects, and to see things that would never show up in reports. No amount of paper work will accomplish these things. Big industry is more and more following this practice of on-the-spot inspecting by top management.

Executive appraisal and action is the final step. It consists of weighing performance against the established standards, taking corrective action where this is necessary, and giving appropriate rewards and recognition where performance has been outstanding.

In a typical case, the "boss" first determines the objectives to be achieved and explains these to his subordinates. He then asks them for suggestions and for a draft of plans for achieving their part of the objectives. This helps them to feel that they are a part of the team and provides a stimulation for future work. The plan, which should be in writing, must include a budget of estimated costs of the project and the returns which may be expected. The boss then goes over these plans with his subordinates and comes to agreement with them on a clear program. With the objectives, plans, expenditures, and measures of satisfactory performance mutually agreed upon in tangible terms in advance, the subordinate has a basis for self control, i.e., he can evaluate his own work as it goes along. The more that is agreed upon between the boss and the subordinate, the better the latter knows what is expected of him and the more he will





exert himself to achieve it. This vitalizing function of the planning process has only recently been appreciated in industry. As a result of such procedures, the boss will need to sit down with his subordinate only occasionally. They will go over the performance together and in a few minutes the boss will know how things are going. These talks will provide a basis for the final accounting at the end of the year, when, let us say, the department head will appear before the company's executive committee. The knowledge that he will have to give this final accounting helps to keep the department head on his toes throughout the year.

The natural tendency for a growing organization, whether industrial or governmental, is to centralize control. A direct result of centralization is the demand for frequent and voluminous reports and memoranda, much of which is a waste of time and money. An efficiently run organization will not burden the field by requests for reports. "Let the local organization run itself within the framework determined by the budget and in the light of a carefully planned general policy guidance determined and clarified at the upper level". All that is required is a periodic check of field operations by a top-level administrator. This method eliminates much paper, much staff, and saves time and money. The only paper that is required is the report of the few final results. The primary job of a central office is judicial -- to pass on operations at the lower levels.

Control over workload and manpower is the biggest factor in costs and determining what you get for your money. Efficiency is determined by the man-hours spent contributing adequately to the overall objectives. It is necessary to take careful inventory of work done in terms of man-hours spent and to ask, "Would I spend my own money this way? Is the job being done in the best way? Can it be simplified?"

Good leadership in control is the essence of full teamwork. Good leadership gives everyone the greatest freedom to do the job. It requires the enlisting of full cooperation, interest, and understanding in striving toward the desired ends.

Discussion: When questioned in regard to the problem of control in research administration, Mr. Fish admitted that research has less tangible objectives, especially fundamental research. However, it is the consensus of opinion that there should be as much guidance as is possible. A high level panel is recommended to pass judgment on the probable importance of the work, to stop projects which may be leading to blank walls, and to pick out from the list of possible approaches the ones which appear to hold the most promise.

Mr. Fish pointed out the real need for making the plans for a research program as definite as possible, i.e., to make definite tie-ins with known related facts and developments in the field of work, and to make the plans include specific phases of investigation, but so stated that the work is not limited in also exploring related promising avenues.



Administrator and Employee Responsibility  
For Public Service  
by  
D. S. Langsdorf

Mr. D. S. Langsdorf, a graduate of Occidental College at Los Angeles, has been with the Bank of America since 1937. Mr. Langsdorf is a specialist in management problems, and his present duties involve the coordination of personnel activities for the Bank of America throughout California at the policy level.

Mr. Langsdorf stated that public relations and public service are inseparable. He indicated his organization defined public relations as what we do not not what we say. Public relations establishes the framework of his bank's policy in dealing with the public, in advertising, and in employee relations. Approximately 95% of Bank of America business is taken care of through branch banks in small towns where customers have access to "Across the Street" bank services. Therefore, the Bank of America has to compete with other banks, lending agencies, and similar Government activities for their business. Because of this competition, they must be very sensitive to good public relations and service in order to assure prosperous growth.

In his organization, Mr. Langsdorf stated that the effectiveness of the public relations program primarily was the sum of the effectiveness of each of the employees' success in his individual dealings with the public. Public relations could be obtained either directly or indirectly by the employee. For example, the bank has direct contact with the customer through its teller, or has indirect contact through its monthly statements of the bookkeeper.

Mr. Langsdorf also stressed the point that in many cases the qualities of leadership in their personnel are more important than technical excellence.

Personnel relations with the organization are approached from the standpoint of an individual's wants, training, fair treatment, etc. Mr. Langsdorf indicated that his organization advocates the "Open Door Policy" in personnel relations to create confidence in the employee. This policy also creates loyalty to the employer and makes for better success of the organization.

The organization of the staff of the Bank of America consists of the following:

1. District personnel officers
2. Salary administration and progression
3. Evaluation system
4. Staff training
5. Operations officers
6. Lending officers
7. Under-staff training
8. Benefits programs
9. Payroll section
10. Personnel research section
11. Employment section



Principles of conduct which apply to the Bank of America:

1. Service to many rather than a few
2. Success is due in part to its rendering a public service
3. It plays no favorites - no politics, no cliques
4. It does not permit any outside interests or work to take time away from its main job
5. Its policy of fair play and honesty
6. It has no secrets from the public, but at the same time holds its customers' dealings in strict confidence

Mr. Langsdorf concluded his talk with a statement of the advantages and disadvantages of centralized organization versus decentralized organization. It is the policy of the Bank of America to delegate as much authority to their branch banks and still maintain a uniformity of banking and comply with various regulations necessary to operate as a unit. Its aim is to train their bank managers so that they could accomplish this responsibility. In this connection, however, Mr. Langsdorf mentioned that it was very often difficult to get personnel to accept responsibility and that possibly this was due to misunderstanding on the part of the branch managers. If the branch manager does not have vision and initiative, it is felt that the central administration was at fault in that they had not given good training.

- H. C. Duffy, WRL  
R. G. Bell, Forest Service



Scope of Personnel Management  
by  
Boynton S. Kaiser

Boynton S. Kaiser, a graduate of the University of California where he received his AB degree, is now Personnel Director for non-academic staff, all campuses, lecturer in public personnel administration, at the University of California since 1942. There are about 9500 non-academic positions in the University.

Dr. Kaiser started his talk by stating that the main objective of personnel management is to obtain and retain qualified and satisfied personnel at a reasonable cost to the organization involved. There are many elements that combine to make for good personnel management. These elements are in general the same for both Government and private organizations.

The techniques of personnel management are tending to become more similar. The differences in the two fields are becoming less and less. For example, Federal Civil Service techniques are being liberalized as far as recruiting the kind of personnel needed while private industry is adopting and extending job classification techniques developed by the Federal Civil Service. Job classifications have become necessary because of the greatly increased size in Government and industrial organizations. The problem of hiring and holding an employee was discussed in some detail, in which the following points were brought out:

In the initial job of hiring an employee, Mr. Kaiser feels that more emphasis should be placed on tests and testing with less being placed on amount of experience in other jobs an applicant might have. The trend is toward improved tests and techniques. He emphasized that the personal interview was a major part of this testing. Also that the supervisor should have the final word on hiring the prospective employee, and should be allowed a choice of a number of recruits.

After the employee has been hired and goes to work there are many factors affecting his service to the organization.

Working conditions, equal pay for equal work, uniformity of treatment, all have an effect on the employee's morale and may determine how long he remains with the organization. Uniformity does not mean rigidity but may actually mean flexibility.

He explained that under uniformity of treatment he was talking about standardized sick and annual leave, work week, regular holidays, overtime with pay, compensatory leave, etc. Considerable time was given to a discussion of the merit system or systems. He said merit systems have become preference systems in too many cases. In pay increases and promotions, less and less attention was being given to merit. The superior employee is not getting the attention he should get, although through a system of awards, etc., the problem is recognized. There is a definite trend to automatic pay increases and no system has been devised to make sure the right man is always promoted.





Training was discussed from the standpoint that its purpose is to get a better job done, get the best personnel in the proper job and keep qualified people.

It was brought out that working conditions often had more to do with holding an employee than slight differences in pay scales. Employees are interested in health and welfare plans, recreational facilities, hours of work, eating facilities, etc. In cases of dissatisfaction, proper supervision and guidance will often correct a bad situation. Good work should be recognized immediately and poor performance likewise.

Considerable time was given to the problems in the Federal Government of dismissing poor employees. He emphasized that the answer to the problem was not transfer of a poor employee to another section for some one else to worry about. Dismissal procedure should by all means be simplified. Do not give in to non-merit factors, but try to maintain the merit system.

Good personnel management is faced with many administrative dilemmas because of the human and emotional factors. It is treated subjectively instead of objectively.

At the close of the talk there was further discussion among the group regarding the problems of transfer of employees to other locations, demotions, graduated leave plans and retirement.

- W. F. Brown, PMA, Commodity Office  
W. Schlotzhauer, F.C.I.C.

